

# HOUSE BILL NO. 5769

February 17, 2022, Introduced by Rep. Wendzel and referred to the Committee on Local Government and Municipal Finance.

A bill to amend 1974 PA 198, entitled

"An act to provide for the establishment of plant rehabilitation districts and industrial development districts in local governmental units; to provide for the exemption from certain taxes; to levy and collect a specific tax upon the owners of certain facilities; to impose and provide for the disposition of an administrative fee; to provide for the disposition of the tax; to provide for the obtaining and transferring of an exemption certificate and to prescribe the contents of those certificates; to prescribe the powers and duties of the state tax commission and certain officers of local governmental units; and to provide penalties,"

by amending sections 5, 7a, 9, 14, 15, 16, 19, and 22 (MCL 207.555,

207.557a, 207.559, 207.564, 207.565, 207.566, 207.569, and 207.572), section 5 as amended by 1996 PA 323, section 7a as added by 1996 PA 513, section 9 as amended by 2014 PA 513, section 14 as amended by 2011 PA 319, section 15 as amended by 2010 PA 122, section 16 as amended by 1982 PA 417, and section 22 as amended by 2010 PA 273, and by adding section 14c.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 5. (1) After the establishment of a district, the owner  
2 or lessee of a facility may file an application for an industrial  
3 facilities exemption certificate with the clerk of the local  
4 governmental unit that established the plant rehabilitation  
5 district or industrial development district. The application ~~shall~~  
6 **must** be filed in the manner and form prescribed by the commission.  
7 The application ~~shall~~**must** contain or be accompanied by ~~a~~**all of**  
8 **the following:**

9       (a) A general description of the facility. ~~and a~~

10       (b) A general description of the proposed use of the facility.  
11 ~~the~~

12       (c) ~~The~~ general nature and extent of the restoration,  
13 replacement, or construction to be undertaken. ~~a~~

14       (d) A descriptive list of the equipment that will be a part of  
15 the facility. ~~a~~

16       (e) A time schedule for undertaking and completing the  
17 restoration, replacement, or construction of the facility. ~~and~~  
18 ~~information~~

19       (f) **Information** relating to the requirements in section 9.

20       (g) **If the applicant is requesting an enhanced abatement under**  
21 **section 14c, the information required by section 14c.**

22       (2) Upon receipt of an application for an industrial

1 facilities exemption certificate, the clerk of the local  
2 governmental unit shall notify in writing the assessor of the  
3 assessing unit in which the facility is located or to be located,  
4 and the legislative body of each taxing unit that levies ad valorem  
5 property taxes in the local governmental unit in which the facility  
6 is located or to be located. Before acting upon the application,  
7 the legislative body of the local governmental unit shall afford  
8 the applicant, the assessor, and a representative of the affected  
9 taxing units an opportunity for a hearing.

10 (3) The local governmental unit may charge the applicant an  
11 application fee to process an application for an industrial  
12 facilities exemption certificate. The application fee ~~shall~~**must**  
13 not exceed the actual cost incurred by the local governmental unit  
14 in processing the application or 2% of the total property taxes  
15 abated under this act for the term that the industrial facilities  
16 exemption certificate is in effect, whichever is less. A local  
17 governmental unit shall not charge an applicant any other fee under  
18 this act.

19 Sec. 7a. If, after reviewing the application described in  
20 section 7, the commission determines that the cost of the facility  
21 exceeds \$150,000,000.00 of state equalized value, then all of the  
22 following apply:

23 (a) The replacement, restoration, or construction of the  
24 facility ~~shall~~**must** be completed within 6 years of the effective  
25 date of the initial industrial facilities exemption certificate or  
26 a greater time as authorized by the commission for good cause.

27 (b) The commission shall provide not more than 3 separate  
28 industrial facilities exemption certificates for the facility. The  
29 initial industrial facilities exemption certificate shall be

1 effective for not more than 14 years. The second industrial  
2 facilities exemption certificate shall be effective 2 years after  
3 the initial industrial facilities exemption certificate becomes  
4 effective and shall continue to be effective for not more than 14  
5 years. The third industrial facilities exemption certificate shall  
6 be effective 4 years after the initial industrial facilities  
7 exemption certificate becomes effective and shall continue to be  
8 effective for not more than 14 years. The commission may modify  
9 each certificate during the replacement, restoration, or  
10 construction of the facility.

11 (c) For each industrial facilities exemption certificate, the  
12 commission shall determine the portion of the facility to be  
13 completed. During the first 2 years of the industrial facilities  
14 exemption certificate period, the state equalized valuation of that  
15 portion of the facility shall be used to calculate the industrial  
16 facilities tax as provided in section 14. Upon the expiration of  
17 each industrial facilities exemption certificate or its revocation  
18 under section 15, that portion of the facility is subject to the  
19 general ad valorem property tax.

20 (d) Notwithstanding subdivision (b), an industrial facilities  
21 exemption certificate for a facility described in this section  
22 shall expire not more than 12 years **or, if section 14c applies, not**  
23 **more than 25 years**, from the completion of the facility.

24 Sec. 9. (1) The legislative body of the local governmental  
25 unit, in its resolution approving an application, shall set forth a  
26 finding and determination that the granting of the industrial  
27 facilities exemption certificate, considered together with the  
28 aggregate amount of industrial facilities exemption certificates  
29 previously granted and currently in force, shall not have the

1 effect of substantially impeding the operation of the local  
2 governmental unit or impairing the financial soundness of a taxing  
3 unit that levies an ad valorem property tax in the local  
4 governmental unit in which the facility is located or to be  
5 located. If the state equalized valuation of property proposed to  
6 be exempt pursuant to an application under consideration,  
7 considered together with the aggregate state equalized valuation of  
8 property exempt under certificates previously granted and currently  
9 in force, exceeds 5% of the state equalized valuation of the local  
10 governmental unit, the commission, with the approval of the state  
11 treasurer, shall make a separate finding and shall include a  
12 statement in the order approving the industrial facilities  
13 exemption certificate that exceeding that amount shall not have the  
14 effect of substantially impeding the operation of the local  
15 governmental unit or impairing the financial soundness of an  
16 affected taxing unit. **If section 14c applies, the legislative body**  
17 **of the local governmental unit, in its resolution approving an**  
18 **application, shall set forth a finding that an enhanced abatement**  
19 **under section 14c is necessary to reduce unemployment, promote**  
20 **economic growth, and increase capital investment in the local**  
21 **governmental unit.**

22 (2) Except for an application for a speculative building,  
23 which is governed by subsection (4), the legislative body of the  
24 local governmental unit shall not approve an application and the  
25 commission shall not grant an industrial facilities exemption  
26 certificate unless the applicant complies with all of the following  
27 requirements:

28 (a) The commencement of the restoration, replacement, or  
29 construction of the facility occurred not earlier than 12 months

1 before the filing of the application for the industrial facilities  
2 exemption certificate. If the application is not filed within the  
3 12-month period, the application may be filed within the succeeding  
4 12-month period and the industrial facilities exemption certificate  
5 shall in this case expire 1 year earlier than it would have expired  
6 if the application had been timely filed. This subdivision does not  
7 apply for applications filed with the local governmental unit after  
8 December 31, 1983.

9 (b) For applications made after December 31, 1983, the  
10 proposed facility ~~shall be~~ **is** located within a plant rehabilitation  
11 district or industrial development district that was duly  
12 established in a local governmental unit eligible under this act to  
13 establish a district and that was established upon a request filed  
14 or by the local governmental unit's own initiative taken before the  
15 commencement of the restoration, replacement, or construction of  
16 the facility.

17 (c) For applications made after December 31, 1983, the  
18 commencement of the restoration, replacement, or construction of  
19 the facility occurred not earlier than 6 months before the filing  
20 of the application for the industrial facilities exemption  
21 certificate.

22 (d) The application relates to a construction, restoration, or  
23 replacement program that when completed constitutes a new or  
24 replacement facility within the meaning of this act and that ~~shall~~  
25 ~~be~~ **is** situated within a plant rehabilitation district or industrial  
26 development district duly established in a local governmental unit  
27 eligible under this act to establish the district.

28 (e) Completion of the facility is calculated to, and will at  
29 the time of issuance of the certificate have the reasonable

1 likelihood to create employment, retain employment, prevent a loss  
2 of employment, or produce energy in the community in which the  
3 facility is situated.

4 (f) Completion of the facility does not constitute merely the  
5 addition of machinery and equipment for the purpose of increasing  
6 productive capacity but rather is primarily for the purpose and  
7 will primarily have the effect of restoration, replacement, or  
8 updating the technology of obsolete industrial property. An  
9 increase in productive capacity, even though significant, is not an  
10 impediment to the issuance of an industrial facilities exemption  
11 certificate if other criteria in this section and act are met. This  
12 subdivision does not apply to a new facility.

13 (g) The provisions of subdivision (c) do not apply to a new  
14 facility located in an existing industrial development district  
15 owned by a person who filed an application for an industrial  
16 facilities exemption certificate in April of 1992 if the  
17 application was approved by the local governing body and was denied  
18 by the state tax commission in April of 1993.

19 (h) The provisions of subdivisions (b) and (c) and section  
20 4(3) do not apply to 1 or more of the following:

21 (i) A facility located in an industrial development district  
22 owned by a person who filed an application for an industrial  
23 facilities exemption certificate in October 1995 for construction  
24 that was commenced in July 1992 in a district that was established  
25 by the legislative body of the local governmental unit in July  
26 1994. An industrial facilities exemption certificate described in  
27 this subparagraph shall expire as provided in section 16(3).

28 (ii) A facility located in an industrial development district  
29 that was established in January 1994 and was owned by a person who

1 filed an application for an industrial facilities exemption  
2 certificate in February 1994 if the personal property and real  
3 property portions of the application were approved by the  
4 legislative body of the local governmental unit and the personal  
5 property portion of the application was approved by the state tax  
6 commission in December 1994 and the real property portion of the  
7 application was denied by the state tax commission in December  
8 1994. An industrial facilities exemption certificate described in  
9 this subparagraph shall expire as provided in section 16(3).

10 (iii) A facility located in an industrial development district  
11 that was established in December 1995 and was owned by a person who  
12 filed an application for an industrial facilities exemptions  
13 certificate in November or December 1995 for construction that was  
14 commenced in September 1995.

15 (iv) A facility located in an industrial development district  
16 owned by a person who filed an application for an industrial  
17 facilities exemption certificate in July 2001 for construction that  
18 was commenced in February 2001 in a district that was established  
19 by the legislative body of the local governmental unit in September  
20 2001. An industrial facilities exemption certificate described in  
21 this subparagraph shall expire as provided in section 16. The  
22 facility described in this subparagraph shall be taxed under this  
23 act as if it was granted an industrial facilities exemption  
24 certificate in October 2001, and a corrected tax bill shall be  
25 issued by the local tax collecting unit if the local tax collecting  
26 unit has possession of the tax roll or by the county treasurer if  
27 the county has possession of the tax roll. If granting the  
28 industrial facilities exemption certificate under this subparagraph  
29 results in an overpayment of the tax, a rebate, including any



1 interest and penalties paid, shall be made to the taxpayer by the  
2 local tax collecting unit if the local tax collecting unit has  
3 possession of the tax roll or by the county treasurer if the county  
4 has possession of the tax roll within 30 days of the date the  
5 exemption is granted. The rebate shall be without interest.

6 (v) A facility located in an industrial development district  
7 owned by a person who filed an application for an industrial  
8 facilities exemption certificate in December 2005 for construction  
9 that was commenced in September 2005 in a district that was  
10 established by the legislative body of the local governmental unit  
11 in December 2005. An industrial facilities exemption certificate  
12 described in this subparagraph shall expire as provided in section  
13 16.

14 (vi) A facility located in an existing industrial development  
15 district owned by a person who filed or amended an application for  
16 an industrial facilities exemption certificate for real property in  
17 July 2006 if the application was approved by the legislative body  
18 of the local governmental unit in September 2006 but not submitted  
19 to the state tax commission until September 2006.

20 (vii) A new facility located in an existing industrial  
21 development district owned by a person who filed or amended an  
22 application for an industrial facilities exemption certificate for  
23 personal property in June 2006 if the application was approved by  
24 the legislative body of the local governmental unit in August 2006  
25 but not submitted to the state tax commission until 2007. The  
26 effective date of the certificate shall be December 31, 2006.

27 (viii) A new facility located in an industrial development  
28 district that was established by the legislative body of the local  
29 governmental unit in September of 2007 for construction that was

1 commenced in March 2007 and for which an application for an  
2 industrial facilities exemption certificate was filed in September  
3 of 2007.

4 (ix) A facility located in an industrial development district  
5 that was established by the legislative body of the local  
6 governmental unit in August 2007 and was owned by a person who  
7 filed an application for an industrial facilities exemption  
8 certificate in June 2007 for equipment that was purchased in  
9 January 2007.

10 (x) A facility located in an industrial development district  
11 that otherwise meets the criteria of this act that has received  
12 written approval from the chairperson of the Michigan economic  
13 growth authority.

14 (xi) A new facility located in an industrial development  
15 district that was established by the legislative body of the local  
16 governmental unit in August of 2008 for construction that was  
17 commenced in December 2005 and certificate of occupancy issued in  
18 September 2006 for which an application for an industrial  
19 facilities exemption certificate was filed in August of 2008.

20 (xii) A facility located in an industrial development district  
21 owned by a person who filed an application for a certificate for  
22 real and personal property in April 2005 if the application was  
23 approved by the legislative body of the local governmental unit in  
24 July 2005 for construction that was commenced in July 2004.

25 (xiii) A facility located in an industrial development district  
26 that was established by the legislative body of the local  
27 governmental unit in December 2007 for construction that was  
28 commenced in September 2007 and a certificate of occupancy issued  
29 in September 2008 for which an application for an industrial

1 facilities exemption certificate was approved in May of 2008.

2 (i) The provisions of subdivision (c) do not apply to any of  
3 the following:

4 (i) A new facility located in an existing industrial  
5 development district owned by a person who filed an application for  
6 an industrial facilities exemption certificate in October 1993 if  
7 the application was approved by the legislative body of the local  
8 governmental unit and the real property portion of the application  
9 was denied by the state tax commission in December 1993.

10 (ii) A new facility located in an existing industrial  
11 development district owned by a person who filed an application for  
12 an industrial facilities exemption certificate in September 1993 if  
13 the personal property portion of the application was approved by  
14 the legislative body of the local governmental unit and the real  
15 property portion of the application was denied by the legislative  
16 body of the local governmental unit in October 1993 and  
17 subsequently approved by the legislative body of the local  
18 governmental unit in September 1994.

19 (iii) A facility located in an existing industrial development  
20 district owned by a person who filed an application for an  
21 industrial facilities exemption certificate in August 1993 if the  
22 application was approved by the local governmental unit in  
23 September 1993 and the application was denied by the state tax  
24 commission in December 1993.

25 (iv) A facility located in an existing industrial development  
26 district occupied by a person who filed an application for an  
27 industrial facilities exemption certificate in June of 1995 if the  
28 application was approved by the legislative body of the local  
29 governmental unit in October of 1995 for construction that was

1 commenced in November or December of 1994.

2 (v) A facility located in an existing industrial development  
3 district owned by a person who filed an application for an  
4 industrial facilities exemption certificate in June of 1995 if the  
5 application was approved by the legislative body of the local  
6 governmental unit in July of 1995 and the personal property portion  
7 of the application was approved by the state tax commission in  
8 November of 1995.

9 (j) If the facility is locating in a plant rehabilitation  
10 district or an industrial development district from another  
11 location in this state, the owner of the facility is not delinquent  
12 in any of the taxes described in section 10(1)(a) of the Michigan  
13 renaissance zone act, 1996 PA 376, MCL 125.2690, or substantially  
14 delinquent in any of the taxes described in and as provided under  
15 section 10(1)(b) of the Michigan renaissance zone act, 1996 PA 376,  
16 MCL 125.2690.

17 (3) If the replacement facility when completed will not be  
18 located on the same premises or contiguous premises as the obsolete  
19 industrial property, then the applicant shall make provision for  
20 the obsolete industrial property by demolition, sale, or transfer  
21 to another person with the effect that the obsolete industrial  
22 property shall within a reasonable time again be subject to  
23 assessment and taxation under the general property tax act, 1893 PA  
24 206, MCL 211.1 to 211.155, or be used in a manner consistent with  
25 the general purposes of this act, subject to approval of the  
26 commission.

27 (4) The legislative body of the local governmental unit shall  
28 not approve an application and the commission shall not grant an  
29 industrial facilities exemption certificate that applies to a

1 speculative building unless the speculative building is or is to be  
2 located in a plant rehabilitation district or industrial  
3 development district duly established by a local governmental unit  
4 eligible under this act to establish a district; the speculative  
5 building was constructed less than 9 years before the filing of the  
6 application for the industrial facilities exemption certificate;  
7 the speculative building has not been occupied since completion of  
8 construction; and the speculative building otherwise qualifies  
9 under subsection (2)(e) for an industrial facilities exemption  
10 certificate. An industrial facilities exemption certificate granted  
11 under this subsection shall expire as provided in section 16(3).

12 (5) Not later than September 1, 1989, the commission shall  
13 provide to all local assessing units the name, address, and  
14 telephone number of the person on the commission staff responsible  
15 for providing procedural information concerning this act. After  
16 October 1, 1989, a local unit of government shall notify each  
17 prospective applicant of this information in writing.

18 (6) Notwithstanding any other provision of this act, if on  
19 December 29, 1986 a local governmental unit passed a resolution  
20 approving an exemption certificate for 10 years for real and  
21 personal property but the commission did not receive the  
22 application until 1992 and the application was not made complete  
23 until 1995, then the commission shall issue, for that property, an  
24 industrial facilities exemption certificate that begins December  
25 30, 1987 and ends December 30, 1997. The facility described in this  
26 subsection shall be taxed under this act as if it was granted an  
27 industrial facilities exemption certificate on December 30, 1987.

28 (7) Notwithstanding any other provision of this act, if a  
29 local governmental unit passed a resolution approving an industrial

1 facilities exemption certificate for a new facility on July 8, 1991  
2 but rescinded that resolution and passed a resolution approving an  
3 industrial facilities exemption certificate for that same facility  
4 as a replacement facility on October 21, 1996, the commission shall  
5 issue for that property an industrial facilities exemption  
6 certificate that begins December 30, 1991 and ends December 2003.  
7 The replacement facility described in this subsection shall be  
8 taxed under this act as if it was granted an industrial facilities  
9 exemption certificate on December 30, 1991.

10 (8) Property owned or operated by a casino is not industrial  
11 property or otherwise eligible for an abatement or reduction of ad  
12 valorem property taxes under this act. As used in this subsection,  
13 "casino" means a casino or a parking lot, hotel, motel, convention  
14 and trade center, or retail store owned or operated by a casino, an  
15 affiliate, or an affiliated company, regulated by this state  
16 pursuant to the Michigan ~~gaming control and revenue act~~, **Gaming**  
17 **Control and Revenue Act**, 1996 IL 1, MCL 432.201 to 432.226.

18 (9) Notwithstanding section 16a and any other provision of  
19 this act, if a local governmental unit passed a resolution  
20 approving an industrial facilities exemption certificate for a new  
21 facility on October 28, 1996 for a certificate that expired in  
22 December 2003 and the local governmental unit passes a resolution  
23 approving the extension of the certificate after December 2003 and  
24 before March 1, 2006, the commission shall issue for that property  
25 an industrial facilities exemption certificate that begins on  
26 December 30, 2005 and ends December 30, 2010 as long as the  
27 property continues to qualify under this act.

28 (10) Notwithstanding any other provision of this act, if the  
29 commission issued an industrial facilities exemption certificate

1 for a new facility on December 8, 1998 but revoked that industrial  
2 facilities exemption certificate for that same facility effective  
3 December 30, 2006 and that new facility is purchased by a buyer on  
4 or before November 1, 2007, the commission shall issue for that  
5 property an industrial facilities exemption certificate that begins  
6 December 31, 1998 and ends December 30, 2010 and shall transfer  
7 that industrial facilities exemption certificate to the buyer. The  
8 new facility described in this subsection shall be taxed under this  
9 act as if it was granted an industrial facilities exemption  
10 certificate effective on December 31, 1998.

11 (11) Notwithstanding any other provision of this act, if the  
12 commission issued industrial facilities exemption certificates for  
13 new facilities on October 30, 2002, September 9, 2003, and November  
14 30, 2005 but revoked the industrial facilities exemption  
15 certificates for the same facilities effective December 30, 2007  
16 and the new facilities continue to qualify under this act, the  
17 commission shall issue for the properties industrial facilities  
18 exemption certificates which end respectively on December 30, 2008,  
19 December 30, 2009, and December 30, 2011.

20 (12) Notwithstanding any other provision of this act, if in  
21 August 2008 a local governmental unit passed a resolution approving  
22 an exemption certificate for 12 years for real and personal  
23 property but the commission did not receive the application until  
24 2008, then the commission shall issue, for that property, an  
25 industrial facilities exemption certificate that begins December  
26 31, 2006 and ends December 30, 2018. The facility described in this  
27 subsection shall be taxed under this act as if it had been granted  
28 an industrial facilities exemption certificate on December 31,  
29 2006.

1           (13) Notwithstanding any other provision of this act, if in  
2     September 2011 or October 2011 a local governmental unit passed a  
3     resolution approving an exemption certificate for 12 years for  
4     personal property but the commission did not receive the  
5     application until November 2011 and the commission approved the  
6     applications in May 2012, then the commission shall issue, for that  
7     property, an industrial facilities exemption certificate that  
8     begins December 31, 2011 and ends December 30, 2023. The facility  
9     described in this subsection shall be taxed under this act as if it  
10    had been granted an industrial facilities exemption certificate on  
11    December 31, 2011.

12           (14) Notwithstanding any other provision of this act, if on  
13    August 23, 2011 a local governmental unit passed a resolution  
14    approving an exemption certificate for 12 years for real property  
15    and the emergency manager subsequently appointed for that local  
16    community issued an order approving the exemption certificate on  
17    November 8, 2013 but the commission did not receive the application  
18    until November 27, 2013, then the commission shall issue, for that  
19    property, an industrial facilities exemption certificate that  
20    begins December 31, 2011 and ends December 30, 2023. The real  
21    property component of the facility described in this subsection  
22    shall be taxed under this act as if it had been granted an  
23    industrial facilities exemption certificate on December 31, 2011.

24           Sec. 14. (1) ~~The~~ **Subject to section 14c, the** amount of the  
25    industrial facility tax, in each year for a replacement facility,  
26    shall be determined by multiplying the total mills levied as ad  
27    valorem taxes for that year by all taxing units within which the  
28    facility is situated by the taxable value of the real and personal  
29    property of the obsolete industrial property for the tax year



1 immediately preceding the effective date of the industrial  
2 facilities exemption certificate after deducting the taxable value  
3 of the land and of the inventory as specified in section 19.

4 (2) The amount of the industrial facility tax, in each year  
5 for a new facility or a speculative building for which an  
6 industrial facilities exemption certificate became effective before  
7 January 1, 1994, shall be determined by multiplying the taxable  
8 value of the facility excluding the land and the inventory personal  
9 property by the sum of 1/2 of the total mills levied as ad valorem  
10 taxes for that year by all taxing units within which the facility  
11 is located other than mills levied for school operating purposes by  
12 a local school district within which the facility is located or  
13 mills levied under the state education tax act, 1993 PA 331, MCL  
14 211.901 to 211.906, plus 1/2 of the number of mills levied for  
15 local school district operating purposes in 1993.

16 (3) Except as provided in subsection (4) **and subject to**  
17 **section 14c**, the amount of the industrial facility tax in each year  
18 for a new facility or a speculative building for which an  
19 industrial facilities exemption certificate becomes effective after  
20 December 31, 1993, shall be determined by multiplying the taxable  
21 value of the facility excluding the land and the inventory personal  
22 property by the sum of 1/2 of the total mills levied as ad valorem  
23 taxes for that year by all taxing units within which the facility  
24 is located other than mills levied under the state education tax  
25 act, 1993 PA 331, MCL 211.901 to 211.906, plus, subject to section  
26 14a, the number of mills levied under the state education tax act,  
27 1993 PA 331, MCL 211.901 to 211.906.

28 (4) For taxes levied after December 31, 2007, for the personal  
29 property tax component of an industrial facilities exemption

1 certificate for a new facility or a speculative building that is  
2 sited on real property classified as industrial real property under  
3 section 34c of the general property tax act, 1893 PA 206, MCL  
4 211.34c, **subject to section 14c**, the amount of the industrial  
5 facility tax in each year for a new facility or a speculative  
6 building shall be determined by multiplying the taxable value of  
7 the facility excluding the land and the inventory personal property  
8 by the sum of 1/2 of the total mills levied as ad valorem taxes for  
9 that year by all taxing units within which the facility is located  
10 other than mills levied on industrial personal property under the  
11 state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and  
12 the number of mills from which industrial personal property is  
13 exempt under section 1211(1) of the revised school code, 1976 PA  
14 451, MCL 380.1211. For taxes levied after December 31, 2007, for  
15 the personal property tax component of an industrial facilities  
16 exemption certificate for a new facility or a speculative building  
17 that is sited on real property classified as commercial real  
18 property under section 34c of the general property tax act, 1893 PA  
19 206, MCL 211.34c, **subject to section 14c**, the amount of the  
20 industrial facility tax in each year for a new facility or a  
21 speculative building shall be determined by multiplying the taxable  
22 value of the facility excluding the land and the inventory personal  
23 property by the sum of 1/2 of the total mills levied as ad valorem  
24 taxes for that year by all taxing units within which the facility  
25 is located other than the number of mills from which the property  
26 is exempt under section 1211(1) of the revised school code, 1976 PA  
27 451, MCL 380.1211. As used in this subsection, "industrial personal  
28 property" means the following:

29 (a) Except as otherwise provided in subdivision (b), personal

1 property classified under section 34c of the general property tax  
2 act, 1893 PA 206, MCL 211.34c, as industrial personal property.

3 (b) Beginning December 31, 2011, industrial personal property  
4 does not include a turbine powered by gas, steam, nuclear energy,  
5 coal, or oil the primary purpose of which is the generation of  
6 electricity for sale.

7 (5) For a termination or revocation of only the real property  
8 component, or only the personal property component, of an  
9 industrial facilities exemption certificate as provided in this  
10 act, the valuation and the tax determined using that valuation  
11 shall be reduced proportionately to reflect the exclusion of the  
12 component with respect to which the termination or revocation has  
13 occurred.

14 **Sec. 14c. (1) Subject to this section, a local governmental**  
15 **unit may provide an enhanced abatement by doing 1 or both of the**  
16 **following:**

17 (a) **Excluding some or all of the mills otherwise used in the**  
18 **specific tax calculation on the facility under section 14(1), (3),**  
19 **or (4) from that specific tax calculation if both of the following**  
20 **requirements are met:**

21 (i) **The exclusion of mills under this subdivision does not**  
22 **result in an industrial facility tax of less than \$0.00.**

23 (ii) **If the proposed exclusion includes mills levied by a local**  
24 **taxing unit other than the local governmental unit, the written**  
25 **approval of that local taxing unit is obtained.**

26 (b) **Allowing an industrial facilities exemption certificate to**  
27 **remain in force and effect for a period longer than the otherwise**  
28 **applicable period under section 7a or 16, but not to exceed 25**  
29 **years.**

1           (2) A local unit of government shall not provide an enhanced  
2 abatement under subsection (1) unless both of the following  
3 requirements are met:

4           (a) The application under section 5 includes all of the  
5 following:

6           (i) A request for an enhanced abatement under this section.

7           (ii) The amount of the proposed reduction in mills used to  
8 calculate the specific tax under section 14 or the proposed period  
9 the industrial facilities exemption certificate is to remain in  
10 force and effect, or both.

11           (iii) A statement of benefits that explains why an enhanced  
12 abatement under this section is necessary to reduce unemployment,  
13 promote economic growth, and increase capital investment in the  
14 local governmental unit, including an estimate of the number of  
15 individuals who will be employed or whose employment will be  
16 retained by the applicant as a result of the enhanced abatement.

17           (b) The legislative body of the local governmental unit  
18 determines that an enhanced abatement under this section is  
19 necessary to reduce unemployment, promote economic growth, and  
20 increase capital investment in the local governmental unit and  
21 includes that determination in its resolution approving the  
22 application under section 9.

23           (3) A determination under subsection (2) (b) must be in  
24 accordance with an ordinance or resolution adopted by the  
25 legislative body of the local governmental unit concerning the  
26 factors to be considered in determining whether an enhanced  
27 abatement under this section is necessary to reduce unemployment,  
28 promote economic growth, and increase capital investment in the  
29 local governmental unit.

(4) The legislative body may condition its determination under subsection (2)(b) on the facility meeting certain requirements. A requirement imposed under this subsection must be included in the written agreement required under section 22.

(5) If a facility receives an enhanced abatement under this section and the industrial facilities exemption certificate expires more than 10 years after completion of the facility, the local governmental unit shall conduct a public hearing after the tenth year of the abatement to review both of the following:

(a) The facility's compliance with the written agreement under section 22, including any requirements imposed under subsection (4).

(b) Whether the representations in the statement of benefits were made or carried out in good faith.

Sec. 15. (1) Upon receipt of a request by certified mail to the commission by the holder of an industrial facilities exemption certificate requesting revocation of the certificate, the commission shall by order revoke the certificate in whole or revoke the certificate with respect to its real property component, or its personal property component, whichever is requested.

(2) The legislative body of a local governmental unit may by resolution request the commission to revoke the industrial facilities exemption certificate of a facility ~~upon the grounds that, except for any of the following reasons:~~

(a) **Except** as provided in section 7a, completion of the replacement facility or new facility has not occurred within 2 years after the effective date of the certificate, unless a greater time has been authorized by the commission for good cause. ~~;- that the~~

1       **(b) The** replacement, restoration, or construction of the  
 2 facility has not occurred within 6 years after the date the initial  
 3 industrial facilities exemption certificate was issued as provided  
 4 in section 7a, unless a greater time has been authorized by the  
 5 commission for good cause. ~~; that completion~~

6       **(c) Completion** of the speculative building has not occurred  
 7 within 2 years after the date the certificate was issued except as  
 8 provided in section 7a, unless a greater time has been authorized  
 9 by the commission for good cause. ~~; that a~~

10       **(d) A** speculative building for which a certificate has been  
 11 issued but is not yet effective has been used as other than a  
 12 manufacturing facility. ~~; that the~~

13       **(e) The** certificate issued for a speculative building has not  
 14 become effective within 2 years after the December 31 following the  
 15 date the certificate was issued. ~~; or that the~~

16       **(f) The** purposes for which the certificate was issued are not  
 17 being fulfilled as a result of a failure of the holder to proceed  
 18 in good faith with the replacement, restoration, or construction  
 19 and operation of the replacement facility or new facility or with  
 20 the use of the speculative building as a manufacturing facility in  
 21 a manner consistent with the purposes of this act and in the  
 22 absence of circumstances that are beyond the control of the holder.

23       **(g) The holder of the certificate has failed to meet a**  
 24 **requirement imposed under section 14c(4) and included in the**  
 25 **written agreement under section 22.**

26       **(h) The purposes for which an enhanced abatement under section**  
 27 **14c was provided are not being fulfilled and this failure is due to**  
 28 **bad faith.**

29       (3) Upon receipt of the resolution, the commission shall give

notice in writing by certified mail to the holder of the certificate, to the local legislative body, to the assessor of the assessing unit, and to the legislative body of each local taxing unit which levies taxes upon property in the local governmental unit in which the facility is located. The commission shall afford to the holder of the certificate, the local legislative body, the assessor, and a representative of the legislative body of each taxing unit an opportunity for a hearing. The commission shall by order revoke the certificate if the commission finds ~~that~~

~~completion except~~ **1 or more of the following:**

(a) **Except** as provided in section 7a, **completion** of the replacement facility or new facility has not occurred within 2 years after the effective date of the certificate or a greater time as authorized by the commission for good cause. ~~; that completion~~

(b) **The replacement, restoration, or construction of the facility has not occurred within 6 years after the date the initial industrial facilities exemption certificate was issued as provided in section 7a, unless a greater time has been authorized by the commission for good cause.**

(c) **Completion** of the speculative building has not occurred within 2 years after the date the certificate was issued except as provided in section 7a, unless a greater time has been authorized by the commission for good cause. ~~; that a~~

(d) **A** speculative building for which a certificate has been issued but is not yet effective has been used as other than a manufacturing facility. ~~; that the~~

(e) **The** certificate issued for a speculative building has not become effective within 2 years after the December 31 following the date the certificate was issued. ~~; or that the~~

1       **(f) The** holder of the certificate has not proceeded in good  
2 faith with the replacement, restoration, or construction and  
3 operation of the facility or with the use of the speculative  
4 building as a manufacturing facility in good faith in a manner  
5 consistent with the purposes of this act and in the absence of  
6 circumstances that are beyond the control of the holder.

7       **(g) The holder of the certificate has failed to meet a**  
8 **requirement imposed under section 14c(4) and included in the**  
9 **written agreement under section 22.**

10       **(h) The purposes for which an enhanced abatement under section**  
11 **14c was provided are not being fulfilled and this failure is due to**  
12 **bad faith.**

13       (4) The order of the commission revoking the certificate ~~shall~~  
14 ~~be~~**is** effective on the December 31 next following the date of the  
15 order and the commission shall send by certified mail copies of its  
16 order of revocation to the holder of the certificate, to the local  
17 legislative body, to the assessor of the assessing unit in which  
18 the facility is located, and to the legislative body of each taxing  
19 unit ~~which~~**that** levies taxes upon property in the local  
20 governmental unit in which the facility is located.

21       (5) A revocation of a certificate issued for a speculative  
22 building shall specify and apply only to that portion of the  
23 speculative building for which the grounds for revocation relate.

24       (6) Notwithstanding any other provision of this act, upon the  
25 written request of the holder of a revoked industrial facilities  
26 exemption certificate to the local unit of government and the  
27 commission or upon the application of a subsequent owner to the  
28 local governing body to transfer the revoked industrial facilities  
29 exemption certificate to a subsequent owner, and the submission to



1 the commission of a resolution of concurrence by the legislative  
2 body of the local unit of government in which the facility is  
3 located, and if the facility continues to qualify under this act,  
4 the commission may reinstate a revoked industrial facilities  
5 exemption certificate for the holder or a subsequent owner that has  
6 applied for the transfer.

7 Sec. 16. (1) Unless earlier revoked as provided in section 15,  
8 an industrial facilities exemption certificate shall remain in  
9 force and effect for a period to be determined by the legislative  
10 body of the local governmental unit and commencing with its  
11 effective date and ending on the December 31 next following not  
12 more than 12 years **or, if section 14c applies, not more than 25**  
13 **years**, after the completion of the facility with respect to both  
14 the real property component and the personal property component of  
15 the facility. The date of issuance of a certificate of occupancy,  
16 if one is required, by appropriate municipal authority shall be the  
17 date of completion of the facility.

18 (2) In the case of an application ~~which~~**that** was not filed  
19 within 12 months after the commencement of the restoration,  
20 replacement, or construction of the facility but was filed within  
21 the succeeding 12-month period as provided in section 9(2)(a), the  
22 industrial facilities exemption certificate, unless earlier revoked  
23 as provided in section 15, shall remain in force and effect for a  
24 period commencing with its effective date and ending on the  
25 December 31 next following not more than 11 years after completion  
26 of the facility with respect to both the real property component  
27 and the personal property component of the facility. The date of  
28 issuance of a certificate of occupancy, if one is required, by  
29 appropriate municipal authority ~~shall be~~**is** the date of completion

1 of the facility. This subsection ~~shall~~**does** not apply ~~for~~**to**  
 2 certificates issued after December 31, 1983.

3 (3) In the case of an application filed pursuant to section  
 4 9(4), an industrial facilities exemption certificate, unless  
 5 earlier revoked as provided in section 15, shall remain in force  
 6 and effect for a period to be determined by the legislative body of  
 7 the local governmental unit and commencing on the effective date of  
 8 the certificate and ending on the December 31 next following not  
 9 more than 11 years **or, if section 14c applies, not more than 25**  
 10 **years**, after the effective date of the certificate.

11 Sec. 19. An industrial facilities exemption certificate ~~shall~~  
 12 **must** be in the form the commission determines but ~~shall~~**must**  
 13 contain:

14 (a) A legal description of the real property on which the  
 15 facility is or is to be located.

16 (b) A statement that unless revoked as provided in this act  
 17 the certificate shall remain in force for the period stated in the  
 18 certificate.

19 (c) In the case of a replacement facility a statement of the  
 20 state equalized valuation of the obsolete industrial property,  
 21 separately stated for real and personal property, for the tax year  
 22 immediately preceding the effective date of the certificate after  
 23 deducting the state equalized valuation of the land and inventory.

24 (d) **If an enhanced abatement under section 14c(1)(a) applies,**  
 25 **the amount of mills to be used in the specific tax calculation on**  
 26 **the facility under section 14.**

27 Sec. 22. (1) A new industrial facilities exemption certificate  
 28 shall not be approved and issued under this act after April 1,  
 29 1994, unless a written agreement is entered into between the local

1 governmental unit and the person to whom the certificate is to be  
2 issued, and filed with the department of treasury.

3 (2) A next Michigan development corporation shall not approve  
4 an application for an industrial facilities exemption certificate  
5 for an eligible next Michigan business without a written agreement  
6 entered into with the eligible next Michigan business containing a  
7 remedy provision that includes, but is not limited to, all of the  
8 following:

9 (a) A requirement that the industrial facilities exemption  
10 certificate is revoked if the eligible next Michigan business is  
11 determined to be in violation of the provisions of the written  
12 agreement.

13 (b) A requirement that the eligible next Michigan business may  
14 be required to repay all or part of the benefits received under  
15 this act if the eligible next Michigan business is determined to be  
16 in violation of the provisions of the written agreement.

17 **(3) If a facility received an enhanced abatement under section**  
18 **14c and, as a condition of receiving the enhanced abatement, must**  
19 **comply with requirements imposed under section 14c(4), a written**  
20 **agreement under this section must contain both of the following:**

21 **(a) Any requirements imposed under section 14c(4).**

22 **(b) A requirement that the industrial facilities exemption**  
23 **certificate is revoked if the facility fails to meet the**  
24 **requirements described in subdivision (a).**